

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Newport News Division

CHESAPEAKE BANK,)	
)	
Plaintiff,)	Civil Action No.
)	
v.)	4:14-cv66
)	
)	
STUART D. BERGER,)	
DEBORAH D. BERGER,)	
BERGER PROPERTIES OF OHIO LLC,)	
BERGER PROPERTIES OF FLORIDA LLC,)	
BERGER PROPERTIES OF TEXAS LLC,)	
BERGER PROPERTIES OF MARYLAND LLC,)	
S&D UNLIMITED OF TEXAS LLC,)	
S&D UNLIMITED LLC,)	
THE UNLIMITED GROUP LLC,)	
THE LAW OFFICES OF STUART BERGER PLLC)	
)	
Defendants.)	
)	

PRELIMINARY LIST OF SIGNIFICANT ISSUES DISCOVERED BY RECEIVER IN FIRST 30 DAYS

As noted in the Receiver's Interim Report, the Defendants continue to assert the Order appointing the Receiver does not apply to real property of the Defendants that has not been pledged to Chesapeake Bank ("Bank") as security. The Receiver and the Bank continue to maintain that the Order applies to both real property pledged by the Defendants to the Bank (collectively, the "Pledged Property") and to real property of the Defendants subject to judgment liens in favor of the Bank (collectively, the "Judgment Lien Property"). Defendants continue to refuse to provide the Receiver with access to the books and records of the Judgment Lien Property. Notwithstanding these actions, the Receiver has, in limited circumstances, received directly from third parties some information concerning the Judgment Lien Properties such as, for example, notices of cancellation of property insurance. Except as otherwise expressly stated herein, the information contained in this exhibit pertains to Pledged Property.

PROPERTY WITH UNPAID MORTGAGES/DEEDS OF TRUST SENIOR TO CHESAPEAKE BANK				
State	Address	City	Past-Due Amount	Months Delinquent
Pledged Property:				
IL	253 Delaware #17B	Chicago	\$1,165.62	Unpaid mortgage 2 months
IL	233 E Erie	Chicago	\$1,424.82	Unpaid mortgage 2 months
IL	254 Delaware #5C	Chicago	\$1,597.72	Unpaid mortgage 2 months
IL	253 Delaware #13C	Chicago	\$1,592.52	Unpaid mortgage 2 months
Subtotal			\$5,780.68	
Judgment Lien:				
MD	6 properties ²	See Footnote	\$8,539.94	Unpaid mortgage 2 months
OH	3399 W 151st	Cleveland	\$2,346.08	Unpaid mortgage 2 months
OH	750 Prospect	Cleveland	\$1,717.78	Unpaid mortgage 2 months
OH	1401 W 75th	Cleveland	\$948.10	Unpaid mortgage 2 months
FL	2841 N Ocean	Ft. Lauderdale	\$1,749.51	Unpaid mortgage 3 months
TX	7 properties		\$20,000.00	Unpaid mortgage 2 months
TX	2424 Ave L	Galveston	\$3,983.80	Unpaid mortgage 2 months
TX	7 properties		\$6,036.80	Unpaid mortgage 2 months
Subtotal			\$45,322.01	
Total			\$51,102.69	

¹ This table contains a list of properties subject to mortgages/deeds of trust senior to Chesapeake Bank, all of which mortgages/deeds of trust are delinquent with aggregate amounts past-due as reflected in the column titled "Past-Due Amount."

² 1500 Greenspring Rd., Lutherville, MD 21093; 10547 Twin Rivers Dr. D2, Columbia, MD 21044; 1809 Snow Meadow #301; Baltimore, MD 21209; 5 Windblown Ct., Baltimore, MD 21209; 8212 Oakleigh Rd., Parkville 21234; 12 Brandon Ct. #202, Lutherville, MD 21093.

PLEDGED PROPERTY SUBJECT TO DELINQUENT TAXES				
State	Address	City	Past-Due Amount	Status of Tax Certificate Sales
MD	802 Stags Head Rd.	Baltimore	\$16,650.00	Sale in process
MD	400 Five Farms Ln.	Lutherville	\$8,751.00	Sale in process
OH	1401 W. 75th St. Unit C	Cleveland	\$6,501.19	Sale Complete
OH	4782 Broadview Rd (10 units)	Cleveland	\$24,119.14	Sale Complete
OH	1401 W 75 A Downstairs	Cleveland	\$7,505.01	Sale Complete
OH	1401 W 75 St Unit #E	Cleveland	\$9,041.02	Sale Complete
OH	2142 Wyandotte	Lakewood	\$12,219.07	Sale Complete
OH	3214 W. 140th	Cleveland	\$7,442.42	Sale Complete
OH	12100 Oak Park Blvd	Garfield Heights	\$10,046.38	Sale Complete
OH	1371 Clarence Ave 101 Parking #1	Lakewood	\$17,900.26	No knowledge of sale process
OH	5415 Bridge (4 units)	Cleveland	23,045.62	No knowledge of sale process
OH	9807 Robinson	Garfield Heights	\$5,546.23	No knowledge of sale process
OH	5401 Bridge Ave, Unit 6	Cleveland	\$276.49	No knowledge of sale process
OH	1851 King James Pkwy. Unit 114	Westlake	\$3,907.97	No knowledge of sale process
OH	1401 W. 75th St. Unit B	Cleveland	\$1,620.21	No knowledge of sale process
OH	3365 Spencer	Rocky River	\$6,331.28	No knowledge of sale process
OH	1368 Brockley	Lakewood	\$2,207.83	No knowledge of sale process
OH	1386 W 73rd	Cleveland	\$96.14	No knowledge of sale process
OH	1457 Winchester	Lakewood	\$5,959.42	No knowledge of sale process
OH	3140 Wooster Rd	Rocky River	\$2,125.63	No knowledge of sale process
OH	3306 Bosworth	Cleveland	\$1,374.25	No knowledge of sale process
OH	165 Berkshire	Avon Lake	\$120.13	No knowledge of sale process
OH	20996 Detroit #16	Rocky River	\$3,371.63	No knowledge of sale process
OH	2750 Shadley St	Streetsboro	\$2,448.49	No knowledge of sale process
TX	619 7th Street	Humble	\$725.03	No knowledge of sale process
Total			\$179,331.84	

PROPERTY INSURANCE ISSUES

State	Address	City	Amount	Issue
Pledged Property:				
FL	2920 Center Ave	Ft. Lauderdale	\$414.00	Flood insurance for this property expired on October 14, 2014 and the Receiver is pursuing reinstatement.
Subtotal			\$414.00	
Judgment Lien Property:				
TX	2424 Ave L	Galveston	\$293.75	Previously cancelled insurance policy reinstated by Receiver.
TX	2424 Ave L	Galveston	\$485.00	Flood insurance for this property expired on December 14, 2014.
Subtotal			\$778.75	
Total			\$1,192.75	

PLEDGED PROPERTY MAINTENANCE ISSUES

State	Address	City	Amount	Issue
OH	15800 Detroit Ave	Lakewood	\$2,221.00	Unsafe electrical panels which posed a danger to the public were promptly replaced by Receiver.
Total			\$2,221.00	

PLEDGED PROPERTY SUBJECT TO CONDEMNATION PROCEEDING OR LAWSUIT!

State	Address	City	Amount	Description
OH	3306 Bosworth	Cleveland	\$80,000	Property subject to condemnation proceeding initiated by City of Cleveland. Intial purchase price of the property is approximately \$80,000.
OH	5415 Bridge Up	Cleveland	\$470.00	Lawsuit over security deposit
OH	4782 Broadview Rd #9	Cleveland	\$2,000.00	Lawsuit based on emotional damages
Total			\$82,470.00	

PROTECTIVE ADVANCES BY CHESAPEAKE BANK

Property Insurance for Pledged Property <u>and Judgment Lien Property.</u>			\$23,189.00	
Total			\$23,189.00	

PLEDGED PROPERTY RENT NOT TURNED OVER TO RECEIVER³

State	Address	City	Amount	Issue
OH	1371 Clarence Ave. 102 Parking	Lakewood	\$450.00	Cash rent not turned over by Dr. Berger.
OH	5403 Bridge 1	Cleveland	\$425.00	Cash rent not turned over by Dr. Berger.
OH	5401 Bridge Ave, Unit 6	Cleveland	\$650.00	Cash rent not turned over by Dr. Berger.
OH	5403 Bridge Ave, Unit 7	Cleveland	\$630.00	Cash rent not turned over by Dr. Berger.
OH	1401 W. 75th St. Unit B	Cleveland	\$575.00	Cash rent not turned over by Dr. Berger.
OH	15726 Detroit Ave, #3	Lakewood	\$725.00	Cash rent not turned over by Dr. Berger.
OH	15726 Detroit Ave, #2	Lakewood	\$475.00	Cash rent not turned over by Dr. Berger.
OH	15804 Detroit Ave Driveup	Lakewood	\$745.00	Rent payment by check not turned over by Dr. Berger.
OH	2570 Shadley Street	Streetsboro	\$795.00	Rent payment by check not turned over by Dr. Berger.
TX	9531 Pagewood Lane	Houston	\$825.00	Rent payment by check not turned over by Dr. Berger.
TX	1502 29th	Galveston	\$500.00	Rent payment by check not turned over by Dr. Berger.
Total:			\$6,795.00	
GRAND TOTAL			\$346,302.28	

³ According to journal maintained by employee of the Defendants who reports to Dr. Berger